

VIA: AIR  
(SPECIFY AIR OR SEA POUCH)

DL NO. EGMA-27392

**SECRET**  
CLASSIFICATION

TO : Chief, SR  
ATTN: EE  
FROM : Chief of Base, Munich

DATE: 16 July 1957

INFO: COS, Germany  
EE

SUBJECT: GENERAL Operational/REDWOOD/LCIMPROVE/AERODYNAMIC/AECARTHAGE

SPECIFIC Progress Report for June 1957

MC	AB	IN	PS	BX	DBS	NPD	PT	RIO	AR	DR	RU
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1. Headquarters' Action Required:

None; for information and files.

2. Developments:

a. AECASSOWARY-3 reported the Soviet surfacing of CAPAPIE (see MUNI-2310) which he learned of from a Kiev broadcast on 7 June. The full text of this broadcast has appeared in Radyanska Ukraina, a copy of which, it is supposed, has already been procured by Headquarters (for details, see Attachment A).

b. The proposed budget cut and reorganization of Project AERODYNAMIC as outlined in EGOW-33150 were thoroughly discussed with AECASSOWARY-3. AECASSOWARY-3's comments were sent to Headquarters in MUNI-2373 and EGMA-27437. It should be pointed out that while Headquarters was instructing the field on proposed changes in Project AERODYNAMIC and soliciting comments from AECASSOWARY-3, AECASSOWARY-3 was in more rapid communications with AECASSOWARY-2 on this same topic and perhaps even in greater detail than with the undersigned. What final changes were adopted by AECASSOWARY-3 with respect to the newspapers, personnel, etc., based on the proposed budget reduction, are not known. However, here again it is suspected AECASSOWARY-3 has already advised AECASSOWARY-2 who should be able to fill in this picture for Headquarters. It is expected, when the budget cut becomes official, AECASSOWARY-3 will inform the undersigned of the changes he made accordingly. This, of course, will be forwarded when received (for details, see Attachments B and C).

3. Transmitted herewith as Attachments A through D are Contact Reports numbered 20 through 23 of meetings held with AECASSOWARY-3 and 6 during June 1957.

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CS Classification: 74-124-29/3

JOB # 69-425/83

Box: 21 Fold: 11  
Approved: [Signature]

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Attachments  
A - D, as indicated

Distribution

3 - SR w/Atts. A-D h/w  
2 - EE w/Atts. A-D h/w  
2 - COS w/Atts. A-D h/w

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COPY ROUTING	
#1	3 w/Atts A-D
#2	3
#3	6/3
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FORM NO. 51-28A  
MAR. 1949

74-124-29/3

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NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

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CONTACT REPORT

Att. A to EGMA- 27392  
REDWOOD

AGENT AECASSOWARY 3 - 6

DATE 13 June 1957

CASE OFFICER E I

CONTACT REPORT NO. 20

DATE AND TIME OF CONTACT 1030 hours 13 June 1957

RV PLACE \_\_\_\_\_

PLACE MEETING HELD Safehouse

DURATION MEETING 1 hour

PURPOSE OF MEETING Routine

SECURITY n/a

ADMIN/FINANCE n/a

NEXT MEETING SCHEDULED to be arranged by phone

COMMUNICATIONS n/a

OPERATIONAL MATTERS AND COMMENTS: ATTACHED

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OPERATIONAL MATTERS AND COMMENTS:

1. This meeting, called at the request of AECASSOWARY 3, proved to be very interesting indeed, for the undersigned learned from AECASSOWARY 3 the fate of CAPAPIE, an agent dispatched to the Ukraine in 1952 but who had never been heard from. As reported eagerly by AECASSOWARY 3, at about 1700 hours, 7 June, he was listening to Radio Kiev broadcast an Ukrainian language broadcast for Western listeners when suddenly the announcer introduced CAPAPIE. AECASSOWARY 3 said he caught most of the broadcast, the salient points of which were as follows:

a. CAPAPIE told of his exfiltration to the West, his recruitment by the Americans and AECASSOWARY 1 to go on a mission to the Homeland for the purpose of affiliating himself with the underground there. Here he included where and what type training he was given, how he was equipped, the route of infiltration, etc.

b. CAPAPIE identified AECASSOWARY 3 by true name and [ ]  
by the name [ ] was using during his handling of CAPAPIE. ]

c. CAPAPIE told how he changed his mind about carrying out his mission, and how his capture was the result of the vigilance of a peasant woman who spotted him near the border. This latter point was then magnified by the announcer to show the extent the common people aid in the apprehension of foreign spies.

2. AECASSOWARY 3 said that the exact date CAPAPIE had infiltrated and was picked-up (or turned himself in) was not given in the broadcast so that the uninitiated would normally assume this all took place recently. AECASSOWARY 3's primary comment was that to him it was apparent CAPAPIE was sent here by the RIS for the mission he actually accomplished for them. He said he had his suspicions about CAPAPIE even in 1952, and that quite obviously it was a mistake to have dealt with CAPAPIE the way we did.

3. AECASSOWARY 3 asked the undersigned to obtain a transcript of this particular broadcast, if this was possible to do, and in the meantime, he would check Radyanska Ukraina which he felt, would carry the story in perhaps more detail than the broadcast. The undersigned said he would certainly try to get this transcript.

4. Other information passed by AECASSOWARY 3 was as follows:

a. Walter GALAN, head of the UARC in the United States, arrived in Munich in early June 1957 for the purpose of reorganizing the Munich branch.

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b. General Roman GULAI, self-styled head of an Ukrainian independence movement, died on or about 9 June.

c. ~~Ivan MIRCHUK~~, a ZChOUN leader in the United States has come to Munich, apparently to discuss organizational matters with Stefan BANDERA.

5. The next meeting is to be arranged by phone call as required.

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~~CONFIDENTIAL~~ REPORT

Att. 13 to EGMA- 27392  
REDWOOD

AGENT AECASSOWARY 3 - 6

DATE 18 June 1957

CASE OFFICER [ ]

CONTACT REPORT NO. 21

DATE AND TIME OF CONTACT 1115 - 18 June 1957

RV PLACE \_\_\_\_\_

PLACE MEETING HELD Safehouse

DURATION MEETING 2 hours

PURPOSE OF MEETING \_\_\_\_\_

SECURITY n/a

ADMIN/FINANCE n/a

NEXT MEETING SCHEDULED 1530 - 19 June 1957

COMMUNICATIONS n/a

OPERATIONAL MATTERS AND COMMENTS: ATTACHED

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74-124-29/3

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ATTN = 1110-271/2

Operational Matters and Comments:

1. The undersigned met with AECASSOWARY 3 for the purpose of telling him the sad news of the proposed budget cut for fiscal year 1958 in Project AERODYNAMIC as well as explaining to him the nature of the Revised Administration Plan in EGQW-33150. Contrary to expectations, AECASSOWARY 3 accepted this news rather calmly, in fact, he had even been anticipating it being told him by the undersigned, since on this very day he had received a letter from AECASSOWARY 2 informing him of the revisions made in the Project, the proposed budget cut, etc. AECASSOWARY 2 also had told him the undersigned would probably receive headquarters communication on this matter which he would pass on to AECASSOWARY 3. In any case, after the undersigned brought up this topic, AECASSOWARY 3 produced the letter from AECASSOWARY 2, read it to the undersigned, after which the undersigned proceeded to outline the contents of EGQW-33150.

2. After completing the briefing, the undersigned told AECASSOWARY 3 Headquarters was interested in further comments regarding the proposed budget cut, which, apparently, has still not been finally approved but will be by the end of June. Therefore, the undersigned asked AECASSOWARY 3 for his comments and suggestions which the undersigned said he would incorporate with his own and send to Headquarters. AECASSOWARY 3 said he would write these out and give them to the undersigned on the following day.

3. In further discussing the proposed budget cut, which seems mostly to have affected the field allotment, the undersigned offered his suggestions for publishing two newspapers with reduced funds. Here, the undersigned suggested the AEDRUMMER 2 staff move in with the AECASSOWARY 1 publication, streamline the administrative and circulation staff, and perhaps even change the bi-monthly AEDRUMMER 2 paper to a monthly one. AECASSOWARY 3 agreed this suggestion had merit and said he would give it careful consideration. He said something like this would have to be done if the two papers are to publish on approximately fifty per cent of the former subsidy.

4. AECASSOWARY 3 said he was glad to hear AECASSOWARY 2 might come to Munich to help with the re-organization. However, he said, AECASSOWARY 2 said nothing in his letter about coming here.

5. To pick up AECASSOWARY 3's comments regarding the budget cut, the undersigned arranged to meet him at 1530/19 June.

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CONTACT REPORT

Att. C to EGMA- 27392  
REDWOOD

AGENT AECASSOWARY-3 DATE 19 June 1957

CASE OFFICER [ ] CONTACT REPORT NO. 22

DATE AND TIME OF CONTACT 1530 hours, 19 June 1957

RV PLACE Safehouse

PLACE MEETING HELD Safehouse

DURATION MEETING One hour

PURPOSE OF MEETING Receive Subject's comments to proposed budget cut in  
Project AERODYNAMIC.

SECURITY N. A.

ADMIN/FINANCE N. A.

NEXT MEETING SCHEDULED To be arranged via phone.

COMMUNICATIONS N. A.

OPERATIONAL MATTERS AND COMMENTS: ATTACHED.

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Att C EGAH 27392

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OPERATIONAL MATTERS AND COMMENTS - CONTACT REPORT No. 22

1. On 18 June, when the undersigned explained the contents of EGCW-33150 to AECASSOWARY-3 and had asked for his comments, etc., AECASSOWARY-3 said he would write a report on what he thought of the proposed budget cut and have it ready by the afternoon of 19 June. This meeting, then, of 19 June, was for the purpose of receiving AECASSOWARY-3's report.

2. Dispensing with amenities, AECASSOWARY-3 produced the two page report he had written on the topic of the budget cut, and, paragraph by paragraph, went over it with the undersigned to make sure the undersigned understood what he had written. After the report had been thoroughly read and explained wherever necessary by AECASSOWARY-3, he asked for the undersigned's opinion of it. The undersigned told AECASSOWARY-3 the report seemed to have covered all the pertinent points which appeared to be valid arguments against a severe budget cut. The undersigned remarked that most certainly AECASSOWARY-2 in PBPRIME used many of the same reasons he (AECASSOWARY-3) listed when discussing the Project with Headquarters personnel, however, the undersigned added, the field's comments, regardless of their repetitious nature, should and would be given proper consideration.

3. AECASSOWARY-3 asked the undersigned to dispatch his report to Headquarters immediately, mentioning even possible cable transmission of the entire report. The undersigned told AECASSOWARY-3 he would cable a summary of the report on 20 June and at the same time pouch the report so that one if not both would reach Headquarters in time for study before fiscal year 1957 ended. AECASSOWARY-3 expressed his gratitude for this promised action on the part of the undersigned and asked that he be informed of the action taken with respect to his report, the budget, etc.

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74-124-29/3



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Att. D to EGMA- 27392  
REDWOOD

AGENT AECASSOWARY-6

DATE 29 June 1957

CASE OFFICER [ ]

CONTACT REPORT NO. 23

DATE AND TIME OF CONTACT 28 June 1957, 2000 hours

RV PLACE Safehouse

PLACE MEETING HELD Safehouse

DURATION MEETING About one hour

PURPOSE OF MEETING Request data from agent as discussed in DIR-23672

SECURITY N.A.

ADMIN/FINANCE See "Purpose of Meeting"

NEXT MEETING SCHEDULED Tentatively for June 29, 1957, 1400 hours

COMMUNICATIONS This meeting was arranged telephonically.

Confirmation of next meeting will be effected telephonically

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